[redacted] File No. B. Co-op. 52

[redacted] Legal Department.

K [redacted] BRANCH

**Subject:—**

L. A Bill No. XXIV of 1952

A Bill to amend the Bombay Co-operative Societies Act, ~~1925~~ 1925.

R 2 E

Bombay Act No. XXII of 1952.

**File No.** B. Co-op. 52

Gen. 194 e.

874

Office of the R.L.A.

The requisite draft Bill is sent herewith.

2. The proposal merely to delete the words "in the Official Gazette" occuring in clause (h) of section 3 of the Act will not achieve the object in view as in virtue of the provision of section 23 of the Bombay General Clauses Act, 1904, the list of the societies will have still to be published. Power has therefore been given to the State Government to issue orders as to the manner in which the list shall be published.

3. The subject-matter of the Bill falls under entry 32 (co-operative Societies) in List II in the Seventh Schedule to the Constitution. The Bill does not require any sanction or recommendation under the Constitution. As the Bill does not relate to any matter in the Concurrent Legislative List, it will not be necessary to reserve the Bill for the consideration of the President with reference to article 254(2) of the Constitution.

Sd/- J.R.Dhurandhar,
16/4.

Remembrancer of Legal Affairs.

D.R. to D.D.No. 6170, dated the 17th April 1951.

4-Cs.

M.V.V.
4/7.

617

K.S.R.
6/7

Office of the R.L.A.

As pointed out in R.L.A.'s opinion No.5075 dated 25th September 1934, and No.794 dated 8th February 1936, the strict rules of the Indian Limitation Act, 1908, do not apply to arbitration proceedings before the Registrar or his nominee under section 54 read with rule 35 of the Bombay Co-operative Societies Rules, 1927 but the provisions of the Limitation Act are to be taken as affording a sound guide for the decision of disputes before the Registrar or his nominee. It is, however, open to the Registrar or his nominee to depart from the provisions of the Act to do substantial justice between the parties.

2. The proposed amendment is, however, expedient and necessary to make a specific and statutory provision to enable the parties to arbitration proceedings under the Co-operative Societies Act to raise a defence of limitation, which is available to them in a Court of Law. Section ~~XIX~~ 37(1) of the Arbitration Act, 1940, contains such a provision and the proposed amendment may be on the lines of that section

Sd/- J,R.Dhurandhar,
5/7.

Remembrancer of Legal Affairs.

U.R. to D.D. No. 10653, dated the 5th July 1951.

4-Co.

Y.V.V.
4/7.

Legal Department.

In view of the decision of the Co-operative Tribunal at. p.3 ante., it is expedient to amend section 54 as proposed.

2. A requisite draft Bill is sent herewith.

3. The xx subject matter of the Bill falls under xxxx entry 32 in List II in the Seventh Schedule to the Constitution. The Bill does not require any sanction or recommendation.

Sd/- J.R.Dhurandhar,
19/2.

Additional Secretary to Government.

H.R. to D.D.No. 2693, dated the 19th February 1952.

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M.V.V.
4/7.

Legal Department.

A consolidated draft Bill is sent herewith.

2. Clause 2.- In view of the insertion of new sections 6A and17A, consequential amendment is made in the /definition of the term "member". The proposal made at Serial No. 1 of the Statement at page 25 ante to publish the list of societies triennially instead of annually has been incorporated. It is not necessary to renumber sub-clauses (5), (6) and (7) of clause (h) section 3 as suggested.

3. Clauses 3,4,and 6 :- According to the new section 6-A it is provided that a person who is incompetent to ~~ex~~ contract shall not be qualified to be a member of a society. Under the Indian Majority Act,1875 a person attains majority after he attains the age of 18 years and in case a guardian has been appointed of his property, not until he attains the age of 21 years. If, therefore, it is to be provided that a person is not to be qualified to be a member who is not competent to contract, the provision in section 7 which permits persons of above 18 years of age to sign the application for registration will have to be suitably amended. It will have also to be provided that this amendment does not affect the registration of societies made before the Amending Act comes into force. Clause 6 gives a right to a minor or a person of unsound mind to become a member after the disability from which he suffers ceases. The proposed provision would conflict with the existing provision namely, section 27 of the Act. That section makes provision to safeguard the interests of the heir or the legal representative of the deceased member of a society. According to section 27 the heir or legal representative of a deceased member can also become a member of the society if he is duly elected. As, however... .....

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however, the intention of the Department is to make an exception in the case of Co-operative Housing Societies, such intention can be carried into effect by providing that the provisions of section 27 shall be read subject to section 154. Clauses 6 and 9 have been suitably framed to avoid any conflict between the provisions.

4. Clause 5.- It appears from item 11 at page 31 that the Department now desires that for failure to call a meeting under section 12 departmental action should be taken and such failure should not be made an offence. There is no legal objection to making the amendment now proposed. The necessary amendment has accordingly been incorporated in this clause.

5. Clause 7.- The amendments suggested by the State Council are not suitable and have not been incorporated (vide Item 3 of the Statement at page 27 ante).

6. Item 7of the Statement at p.29.- Please see R.L.A.'s opinion No10653 dated 5th July 1951. It is for the Department to decide whether the proposed provision should be made or not.

7. The subject matter of this Bill falls under entry 32 in List II and entries 2 and 7 in List III in the Seventh Schedule to the Constitution. The Bill does not require any sanction or recommendation.

Sd/- J.R.DHURANDHAR,
26/5.

Additional Secretary to Government.

U.R. to D.D. No. 8752, dated the 26th May 1952.

4-Cs.

H.V.V.
4/7.

No.15073/B.
Legal Department,
Bombay Castel, 15th September 1952.

From

Shri J.R.Dhurandhar,
Additional Secretary to the Government of Bombay.

To

The Secretary to the Governor of Bombay.

Subject:- The Bombay Co-operative Societies(Amendment) Bill 1952.

Sir,

With reference to article 200 of the Constitution of India, I am directed to forward herewith for the assent of the Governor the authentic copy of the Bombay Co-Operative Societies (Amendment) Bill, 1952, which was read for the third time and passed at the meeting of the Bombay Legislative Assembly and the Bombay Legislative Council held on the 6th August 1952 and the 20th August 1952, respectively.

2. The subject-matter of the Bill falls under entries 32 and 65 in List II in the Seventh Schedule to the Constitution of India. It is not necessary to reserve the Bill for the consideration of the President with reference to any article of the Constitution of India

3. The date on which the Governor's assent is given may kindl be entered in the endorsement.

4. I also forward herewith one copy of each of the items

| | | |
|---|---|---|
| 1. | Bill as introduced in the Bombay Legislative Assembly with the Statement of Objects and Reasons. | Nos. |
| 2. | Bill as read for the third time and passed by the Bombay Legislative Assembly and as introduced in the Bombay Legislative Council. | 1,2 and 4 and |
| 3. | Bill as re-d for the third time and passed by the Bombay Legislative Council. | two |
| 4. | Extracts from the proceedings of the Bombay Legislative Assembly, dated the 26th July and the 6th August 1952 and of the Bombay Legislative Council, dated the 20th August 1952. | copies of item |

No.3 of the papers noted in the margin. The Bill was not referred to a Select Committee.

Yours faithfully,

Sd/- J.R.Dhurandhar,
15/6.
Additional Secretary to Government.

Copy forwarded with compliments to the Secretary to the Government of Bombay, Development Department.

4-Cs.
M.V.V.
4/7.

No. G.S.2887.

From

The Secretary to the Governor of Bombay,

To

The Additional Secretary to Government,
Legal Department,
Secretariat, Bombay 1.

Subject:- The Bombay Co-operative Societies (Amendment) Bill, 1952.

RAJ BHAVAN.

Ganeshkhind, September 18,1952.
Poona 7.

Sir,

With reference to your letter No.15073/B,dated September 15, 1952, I am directed to return herewith the authentic copy of the Bombay Co-operative Societies (Amendment) Bill, 1952, with the Governor's assent ~~xxxxxxx~~ signified thereon.

Yours faithfully ,

Sd/-

Secretary to the Governor of Bombay.

4-Cs.

E.V.V.
4/7.

**Acts.**

Publication of the
Bombay Co-operative Societies
(Amendment) Act, 1952.

GOVERNMENT OF BOMBAY.
Legal Department,
Resolution No. 15581/B,
Bombay Castle, 22nd September 1952.

Letter to the Secretary to the Governor, No.15073/B, dated the 15th September 1952.

Letter from the Secretary to the Governor, No. G.S. 2887, dated the 18th September 1952.

"With reference to your letter No. 15073/B, dated September 15, 1952, I am directed to return herewith the authrntic copy of the Bombay Co-operative Societies (Anendment) Bill, 1952, with the Governor's assent signified thereon."

RESOLUTION:- The law should be published as Bombay Act No. XXII of 1952 in the Bombay Government Gazette, dated the 22nd September 1952.

2. The Act should be translated into Marathi, Gujarati, Kannada and Hindi (in Devnagari script) and the translations should be published in the Bombay Government Gazette.

3. A copy of the Act should be forwarded to the Development Department.

By order of the Governor of Bombay,

Sd/- S.W.DHURANDHAR,

Assistant Secretary to Government.

R To,

The Manager, Government Central Press, Bombay(with a copy of the Act and with a request that 30 Gazette copies of the Act may be forwarded to the Legal Department and 10 copies to the Development Department),

The Development Department,
* The R Examiner of Books and Publications,
The Bombay Legislature Department,
The Director of Publicity, Bombay,
The Liaison Officer for the Secretariat, Bombay.
) with a copy of the Act.

* With four extra copies of the Act.

4-Cs.

M.V.V.
4/7.

REGISTERED No. B-1

# The Bombay Government Gazette

PUBLISHED BY AUTHORITY

FRIDAY, 4TH JULY 1952.

Separate paging is given to this Part in order that it may be filed as a separate compilation.

## PART V

**[To be translated into Marathi, Gujarati, Kannada and Hindi (in Devnagari script) and the translations to be published in the "Bombay Government Gazette". The dates of publication to be reported.]**

The following Bill is published under the proviso to rule 80 of the Bombay Legislative Assembly Rules :—

### L. A. BILL No. XXIV OF 1952.

*A Bill to amend the Bombay Co-operative Societies Act, 1925.*

WHEREAS it is expedient to amend the Bombay Co-operative Societies Act, 1925, for the purposes hereinafter appearing; It is hereby enacted as follows :—

1. This Act may be called the Bombay Co-operative Societies (Amendment) Act, 1952. Short title.

Bom. VII of 1925.

2. In section 3 of the Bombay Co-operative Societies Act, 1925, hereinafter referred to as the said Act,— Amendment of section 3 of Bom. VII of 1925.

(*1*) in clause (*c*), for the words "in accordance with" the words "in accordance with this Act or" shall be substituted;

(*2*) in clause (*h*),—

(*i*) for sub-clause (5) the following shall be substituted, namely;—

"(5) a 'General Society' means a society not falling under any of the classes of societies defined in any other clauses of this section.",

(*ii*) in the last paragraph, for the words "annually in the *Official Gazette*" the words "triennially in such manner as the State Government may from time to time direct" shall be substituted.

Insertion of new section 6A in Bom. VII of 1925.

**3.** After section 6 of the said Act, the following new section shall be inserted, namely :—

Person who cannot be member.

"6A. No person shall be admitted as a member of a society, unless he is a person competent to contract under section 11 of the Indian Contract Act, 1872." IX of 1872.

Amendment of section 7 of Bom. VII of 1925.

**4.** In section 7 of the said Act,—

(*1*) in sub-section (*1*), for the words "above the age of eighteen years" the words, figure and letter "who are qualified to be the members under section 6A" shall be substituted ;

(*2*) after sub-section (*2*), the following shall be added, namely :—

"(*3*) Nothing in the Bombay Co-operative Societies (Amendment) Act, 1952, shall be deemed to affect the registration of any society made before the said Act comes into force." Bom. of 1952.

Amendment of section 12 of Bom. VII of 1925.

**5.** (*1*) Section 12 of the said Act shall be renumbered as sub-section (*1*) of that section and to the said sub-section, the following proviso shall be added, namely :—

"Provided that the Registrar may, by general or special order, extend the period for holding such meeting by a period not exceeding three months."

(*2*) After sub-section (*1*) as so renumbered, the following sub-sections shall be inserted, namely :—

"(*2*) If default is made in calling a general meeting within the period or the extended period, as the case may be, as prescribed under sub-section (*1*), the Registrar may by order declare any officer or member of the Committee whose duty it was to call such meeting and who without reasonable excuse failed to call such meeting, disqualified for being elected as and for being an officer or a member of the Committee for such period not exceeding three years as may be specified in such order and if the officer is a servant of the society fine him to an amount not exceeding one hundred rupees.

(*3*) Any fine imposed under sub-section (*2*) may be recovered in the manner provided by the Code of Criminal Procedure, 1898, for the recovery of fines imposed by a Court as if such fine were imposed by a Court." V of 1898.

Insertion of new section 17A in Bom. VII of 1925.

**6.** After section 17 of the said Act, the following section shall be inserted, namely :—

Inheritance or acquisition of rights of member by minor or person of unsound mind.

"17A. (*1*) Nothing in section 6A shall prevent a minor or a person of unsound mind from inheriting or otherwise acquiring the rights of a member, but his liability in consequence of such acquisition shall be limited to his interest in the shares of the society and the unpaid dividends as also the loan stock bonds, if any, and the interest earned on them, which is unpaid.

(*2*) The person under any such disability as is referred to in sub-section (*1*) shall, on his disability ceasing, furnish the society a declaration of his willingness to become a member. On receipt of such declaration the society,

notwithstanding anything contained in section 27, may, and if it is a co-operative housing society, such society shall, admit him as a member if he is not otherwise disqualified. The person so admitted shall become entitled to all the rights and privileges of a member and become subject to liabilities like any other member of the society."

Insertion of new section 22A in Bom. VII of 1925.

**7.** After section 22 of the said Act, the following section shall be inserted, namely :—

Registrar to bring defects disclosed in audit to notice of society.

"22A. If the result of the audit held under section 22 discloses any defects in the working of a society, the Registrar may bring such defects to the notice of the society and if the society is a member of a Federal Society also to the notice of the Federal Society. The Registrar may also make an order directing the society or its officers to take such action as may be specified in order to remedy the defects, within the time specified therein. Where the society concerned is a member of a Federal Society, such order shall be made after consulting the Federal Society."

Amendment of section 24AA of Bom. VII of 1925.

**8.** In section 24AA of the said Act, for the *Explanation* the following shall be substituted, namely :—

"*Explanation* :—For the purposes of this section, 'society' shall mean—

(*a*) any resource society, the majority of the members of which are agriculturists and the primary object of which is to obtain credit for its members ; or

(*b*) any society or any society of the class of societies specified in this behalf by the State Government by a general or special order."

Amendment of section 27 of Bom. VII of 1925.

**9.** In sub-section (*1*) of section 27 of the said Act, after the brackets and figure "(*1*)" the words, figures and letter "Subject to the provisions of section 17A," shall be inserted.

Amendment of section 54 of Bom. VII of 1925.

**10.** Section 54 of the said Act shall be renumbered as sub-section (*1*) of that section and after sub-section (*1*) as so renumbered, the following sub-section shall be inserted, namely :—

"(*2*) Where any dispute is referred under sub-section (*1*) for decision by the Registrar's nominee or to arbitration of arbitrators, the Registrar may, at any time, for reasons to be recorded in writing, withdraw such dispute from his nominee or the arbitrators, as the case may be, and may decide the dispute himself or refer it again to any other nominee appointed by him for decision :

Provided that no such dispute shall be withdrawn except on any of the following grounds :—

(*i*) the Registrar's nominee or the arbitrators have failed to decide the dispute within two months or such further period as may be allowed by the Registrar ;

(*ii*) the proceedings before the Registrar's nominee or any of the arbitrators are vitiated in consequence of corruption or misconduct on the part of the Registrar's nominee or any of the arbitrators, as the case may be."

Amendment of section 54A of Bom. VII of 1925.

11. In section 54A of the said Act, in the proviso to sub-section (*1*), clause (*a*) and the brackets and letter "(*b*)" shall be deleted.

Amendment of section 59A of Bom. VII of 1925.

12. To section 59A of the said Act, the following sub-section shall be added, namely :—

"(*3*) Subject to the general or special orders of the State Government, the Collector may delegate to an officer, not below the rank of an Assistant or Deputy Collector, powers exercisable by him under this section."

## STATEMENT OF OBJECTS AND REASONS.

This Bill seeks to amend sections 3, 7, 12, 24AA, 27, 54, 54A and 59A and to insert new sections 6A, 17A and 22A in the Bombay Co-operative Societies Act, 1925 (Bom. VII of 1925) with a view to—

(1) permitting publication of the list of all Co-operative Societies triennially instead of annually as hithertofore,

(2) prohibiting a person who is incompetent to contract from becoming a member of a society,

(3) permitting the Registrar of Co-operative Societies to extend the period for holding the annual general meeting of a society by a period not exceeding three months and providing penalty for the office-bearers and officers of the society for failure to hold such meetings within the statutory period,

(4) enabling minors and persons of unsound mind to acquire by inheritance or otherwise rights of membership,

(5) enabling the Registrar of Co-operative Societies to direct co-operative societies to remedy, within a specified time-limit, the defects in their working pointed out in the audit,

(6) enabling the Central financing agencies to take declaration from individuals who own lands and for whom they provide finance direct,

(7) authorising the Registrar of Co-operative Societies to withdraw a case from arbitration in suitable cases,

(8) prohibiting the Assistant Registrar of Co-operative Societies from depriving an applicant of his remedy under section 54A (*1*) by issuing a certificate under section 59 of the Act, and,

(9) delegating some of the powers of the Collectors under the Act to the Assistant and Deputy Collectors.

Dated the 1st July 1952.

(Signed) M. P. PATIL.

By order of the Governor of Bombay,

J. R. DHURANDHAR,
Additional Secretary to the Government of Bombay,
Legal Department.

Poona, dated the 3rd July 1952.

BOMBAY : PRINTED AT THE GOVERNMENT CENTRAL PRESS.

## L. A. BILL No. XXIV OF 1952.

*A Bill to amend the Bombay Co-operative Societies Act, 1925.*

**(As read for the third time and passed by the Legislative Assembly on the 6th August 1952.)**

Bom. VII of 1925.

WHEREAS it is expedient to amend the Bombay Co-operative Societies Act, 1925, for the purposes hereinafter appearing; It is hereby enacted as follows :—

Short title.

**1.** This Act may be called the Bombay Co-operative Societies (Amendment) Act, 1952.

Bom. VII of 1925.

Amendment of section 3 of Bom. VII of 1925.

**2.** In section 3 of the Bombay Co-operative Societies Act, 1925, hereinafter referred to as the said Act,—

(*1*) in clause (*c*), for the words "in accordance with" the words "in accordance with this Act or" shall be substituted;

(*2*) in clause (*h*),—

(*i*) for sub-clause (5) the following shall be substituted, namely :—

"(5) a 'General Society' means a society not falling under any of the classes of societies defined in any other clauses of this section.",

(*ii*) in the last paragraph, for the words "annually in the *Official Gazette*" the words "triennially in such manner as the State Government may from time to time direct" shall be substituted.

MO-V Bk Hb 180—1

Insertion of new section 6A in Bom. VII of 1925.

**3.** After section 6 of the said Act, the following new section shall be inserted, namely :—

Person who cannot be member.

"6A. No person shall be admitted as a member of a society, unless he is a person competent to contract under section 11 of the Indian Contract Act, 1872." IX of 1872.

Amendment of section 7 of Bom. VII of 1925.

**4.** In section 7 of the said Act,—

(*1*) in sub-section (*1*), for the words "above the age of eighteen years" the words, figure and letter "who are qualified to be the members under section 6A" shall be substituted ;

(*2*) after sub-section (*2*), the following shall be added, namely :—

"(*3*) Nothing in the Bombay Co-operative Societies (Amendment) Act, 1952, shall be deemed to affect the registration of any society made before the said Act comes into force." Bom. of 195

Amendment of section 12 of Bom. VII of 1925.

**5.** (*1*) Section 12 of the said Act shall be renumbered as sub-section (*1*) of that section and to the said sub-section, the following proviso shall be added, namely :—

"Provided that the Registrar may, by general or special order, extend the period for holding such meeting by a period not exceeding three months."

(*2*) After sub-section (*1*) as so renumbered, the following sub-sections shall be inserted, namely :—

"(*2*) If default is made in calling a general meeting within the period or the extended period, as the case may be, as prescribed under sub-section (*1*), the Registrar may by order declare any officer or member of the Committee whose duty it was to call such meeting and who without reasonable excuse failed to call such meeting, disqualified for being elected as and for being an officer or a member of the Committee for such period not exceeding three years as may be specified in such order and if the officer is a servant of the society fine him to an amount not exceeding one hundred rupees.

(*3*) Any fine imposed under sub-section (*2*) may be recovered in the manner provided by the Code of Criminal Procedure, 1898, for the recovery of fines imposed by a Court as if such fine were imposed by a Court." V of 189

Insertion of new section 17A in Bom. VII of 1925.

**6.** After section 17 of the said Act, the following section shall be inserted, namely :—

Inheritance or acquisition of rights of member by minor or person of unsound mind.

"17A. (*1*) Nothing in section 6A shall prevent a minor or a person of unsound mind from inheriting or otherwise acquiring the rights of a member, but his liability in consequence of such acquisition shall be limited to his interest in the shares of the society and the unpaid dividends as also the loan stock bonds, if any, and the interest earned on them, which is unpaid.

(*2*) The person under any such disability as is referred to in sub-section (*1*) shall, on his disability ceasing, furnish the society a declaration of his willingness to become a member. On receipt of such declaration the society,

notwithstanding anything contained in section 27, may, and if it is a co-operative housing society, such society shall, admit him as a member if he is not otherwise disqualified. The person so admitted shall become entitled to all the rights and privileges of a member and become subject to liabilities like any other member of the society."

7. After section 22 of the said Act, the following section shall be inserted, namely :— Insertion of new section 22A in Bom. VII of 1925.

"22A. If the result of the audit held under section 22 discloses any defects in the working of a society, the Registrar may bring such defects to the notice of the society and if the society is a member of a Federal Society also to the notice of the Federal Society. The Registrar may also make an order directing the society or its officers to take such action as may be specified in order to remedy the defects, within the time specified therein. Where the society concerned is a member of a Federal Society, such order shall be made after consulting the Federal Society." Registrar to bring defects disclosed in audit to notice of society.

8. In section 24AA of the said Act, for the *Explanation* the following shall be substituted, namely :— Amendment of section 24AA of Bom. VII of 1925.

"*Explanation* :—For the purposes of this section, 'society' shall mean—

(*a*) any resource society, the majority of the members of which are agriculturists and the primary object of which is to obtain credit for its members ; or

(*b*) any society or any society of the class of societies specified in this behalf by the State Government by a general or special order."

9. In sub-section (*1*) of section 27 of the said Act, after the brackets and figure "(*1*)" the words, figures and letter "Subject to the provisions of section 17A," shall be inserted. Amendment of section 27 of Bom. VII of 1925.

10. Section 54 of the said Act shall be renumbered as sub-section (*1*) of that section and after sub-section (*1*) as so renumbered, the following sub-section shall be inserted, namely :— Amendment of section 54 of Bom. VII of 1925.

"(*2*) Where any dispute is referred under sub-section (*1*) for decision by the Registrar's nominee or to arbitration of arbitrators, the Registrar may, at any time, for reasons to be recorded in writing, withdraw such dispute from his nominee or the arbitrators, as the case may be, and may decide the dispute himself or refer it again to any other nominee appointed by him for decision :

Provided that no such dispute shall be withdrawn except on any of the following grounds :—

(*i*) the Registrar's nominee or the arbitrators have failed to decide the dispute within two months or such further period as may be allowed by the Registrar ;

(*ii*) the proceedings before the Registrar's nominee or any of the arbitrators are vitiated in consequence of corruption or misconduct on the part of the Registrar's nominee or any of the arbitrators, as the case may be."

Amendment of section 59A of Bom. VII of 1925.

11. To section 59A of the said Act, the following sub-section shall be added, namely :—

"(3) Subject to the general or special orders of the State Government, the Collector may delegate to an officer, not below the rank of an Assistant or Deputy Collector, powers exercisable by him under this section."

## STATEMENT OF OBJECTS AND REASONS.

This Bill seeks to amend sections 3, 7, 12, 24AA, 27, 54, 54A and 59A and to insert new sections 6A, 17A and 22A in the Bombay Co-operative Societies Act, 1925 (Bom. VII of 1925) with a view to—

(1) permitting publication of the list of all Co-operative Societies triennially instead of annually as hithertofore,

(2) prohibiting a person who is incompetent to contract from becoming a member of a society,

(3) permitting the Registrar of Co-operative Societies to extend the period for holding the annual general meeting of a society by a period not exceeding three months and providing penalty for the office-bearers and officers of the society for failure to hold such meetings within the statutory period,

(4) enabling minors and persons of unsound mind to acquire by inheritance or otherwise rights of membership,

(5) enabling the Registrar of Co-operative Societies to direct co-operative societies to remedy, within a specified time-limit, the defects in their working pointed out in the audit,

(6) enabling the Central financing agencies to take declaration from individuals who own lands and for whom they provide finance direct,

(7) authorising the Registrar of Co-operative Societies to withdraw a case from arbitration in suitable cases,

(8) prohibiting the Assistant Registrar of Co-operative Societies from depriving an applicant of his remedy under section 54A (*1*) by issuing a certificate under section 59 of the Act, and

(9) delegating some of the powers of the Collectors under the Act to the Assistant and Deputy Collectors.

Dated the 1st July 1952.

M. P. PATIL.

MOV Ek Hb 180—2

Government of Bombay

LEGAL DEPARTMENT

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[L. A. BILL No. XXIV OF 1952.]

(As read for the third time and passed by t___
Legislative Assembly on the
6th August 1952.)

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A Bill to amend the Bombay Co-operative Societies Act, 1952.

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[Shri M. P. Patil, M.L.A.]

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BOMBAY : PRINTED AT THE GOVERNMENT CENTRAL PRESS.

L. A. BILL No. XXIV OF 1952.

*A Bill to amend the Bombay Co-operative Societies Act, 19*

**(As read for the third time and passed by the Legislative Assembly on the 6th August 1952.)**

**(As read for the third time and passed by the Legislative Council on the 20th August 1952.)**

Bom. VII of 1925.

WHEREAS it is expedient to amend the Bombay Co-operative Societies Act, 1925, for the purposes hereinafter appearing; It is hereby enacted as follows:—

Short title.

**1.** This Act may be called the Bombay Co-operative Societies (Amendment) Act, 1952.

Bom. VII of 1925.

Amendment of section 3 of Bom. VII of 1925.

**2.** In section 3 of the Bombay Co-operative Societies Act, 1925, hereinafter referred to as the said Act,—

(*1*) in clause (*c*), for the words "in accordance with" the words "in accordance with this Act or" shall be substituted;

(*2*) in clause (*h*),—

(*i*) for sub-clause (5) the following shall be substituted, namely:—

"(5) a 'General Society' means a society not falling under any of the classes of societies defined in any other clauses of this section.",

(*ii*) in the last paragraph, for the words "annually in the *Official Gazette*" the words "triennially in such manner as the State Government may from time to time direct" shall be substituted.

MO-V Bk Hb 209—1

Insertion of new section 6A in Bom. VII of 1925.

**3.** After section 6 of the said Act, the following new section shall be inserted, namely :—

Person who cannot be member.

"6A. No person shall be admitted as a member of a society, unless he is a person competent to contract under section 11 of the Indian Contract Act, 1872." IX of 1872.

Amendment of section 7 of Bom. VII of 1925.

**4.** In section 7 of the said Act,—

(*1*) in sub-section (*1*), for the words "above the age of eighteen years" the words, figure and letter "who are qualified to be the members under section 6A" shall be substituted ;

(*2*) after sub-section (*2*), the following shall be added, namely :—

"(*3*) Nothing in the Bombay Co-operative Societies (Amendment) Act, 1952, shall be deemed to affect the registration of any society made before the said Act comes into force." Bom. of

Amendment of section 12 of Bom. VII of 1925.

**5.** (*1*) Section 12 of the said Act shall be renumbered as sub-section (*1*) of that section and to the said sub-section, the following proviso shall be added, namely :—

"Provided that the Registrar may, by general or special order, extend the period for holding such meeting by a period not exceeding three months."

(*2*) After sub-section (*1*) as so renumbered, the following sub-sections shall be inserted, namely :—

"(*2*) If default is made in calling a general meeting within the period or the extended period, as the case may be, as prescribed under sub-section (*1*), the Registrar may by order declare any officer or member of the Committee whose duty it was to call such meeting and who without reasonable excuse failed to call such meeting, disqualified for being elected as and for being an officer or a member of the Committee for such period not exceeding three years as may be specified in such order and if the officer is a servant of the society fine him to an amount not exceeding one hundred rupees.

(*3*) Any fine imposed under sub-section (*2*) may be recovered in the manner provided by the Code of Criminal Procedure, 1898, for the recovery of fines imposed by a Court as if such fine were imposed by a Court."

Insertion of new section 17A in Bom. VII of 1925.

**6.** After section 17 of the said Act, the following section shall be inserted, namely :—

Inheritance or acquisition of rights of member by minor or person of unsound mind.

"17A. (*1*) Nothing in section 6A shall prevent a minor or a person of unsound mind from inheriting or otherwise acquiring the rights of a member, but his liability in consequence of such acquisition shall be limited to his interest in the shares of the society and the unpaid dividends as also the loan stock bonds, if any, and the interest earned on them, which is unpaid.

(*2*) The person under any such disability as is referred to in sub-section (*1*) shall, on his disability ceasing, furnish the society a declaration of his willingness to become a member. On receipt of such declaration the society,

notwithstanding anything contained in section 27, may, and if it is a co-operative housing society, such society shall, admit him as a member if he is not otherwise disqualified. The person so admitted shall become entitled to all the rights and privileges of a member and become subject to liabilities like any other member of the society."

**7.** After section 22 of the said Act, the following section shall be inserted, namely :— Insertion of new section 22A in Bom. VII of 1925.

"22A. If the result of the audit held under section 22 discloses any defects in the working of a society, the Registrar may bring such defects to the notice of the society and if the society is a member of a Federal Society also to the notice of the Federal Society. The Registrar may also make an order directing the society or its officers to take such action as may be specified in order to remedy the defects, within the time specified therein. Where the society concerned is a member of a Federal Society, such order shall be made after consulting the Federal Society." Registrar to bring defects disclosed in audit to notice of society.

**8.** In section 24AA of the said Act, for the *Explanation* the following shall be substituted, namely :— Amendment of section 24AA of Bom. VII of 1925.

"*Explanation* :—For the purposes of this section, 'society' shall mean—

(*a*) any resource society, the majority of the members of which are agriculturists and the primary object of which is to obtain credit for its members ; or

(*b*) any society or any society of the class of societies specified in this behalf by the State Government by a general or special order."

**9.** In sub-section (*1*) of section 27 of the said Act, after the brackets and figure "(*1*)" the words, figures and letter "Subject to the provisions of section 17A," shall be inserted. Amendment of section 27 of Bom. VII of 1925.

**10.** Section 54 of the said Act shall be renumbered as sub-section (*1*) of that section and after sub-section (*1*) as so renumbered, the following sub-section shall be inserted, namely :— Amendment of section 54 of Bom. VII of 1925.

"(*2*) Where any dispute is referred under sub-section (*1*) for decision by the Registrar's nominee or to arbitration of arbitrators, the Registrar may, at any time, for reasons to be recorded in writing, withdraw such dispute from his nominee or the arbitrators, as the case may be, and may decide the dispute himself or refer it again to any other nominee appointed by him for decision :

Provided that no such dispute shall be withdrawn except on any of the following grounds :—

(*i*) the Registrar's nominee or the arbitrators have failed to decide the dispute within two months or such further period as may be allowed by the Registrar ;

(*ii*) the proceedings before the Registrar's nominee or any of the arbitrators are vitiated in consequence of corruption or misconduct on the part of the Registrar's nominee or any of the arbitrators, as the case may be."

Amendment of section 59A of Bom. VII of 1925.

**11.** To section 59A of the said Act, the following sub-section shall be added, namely :—

"(3) Subject to the general or special orders of the State Government, the Collector may delegate to an officer, not below the rank of an Assistant or Deputy Collector, powers exercisable by him under this section."

Government of Bombay

LEGAL DEPARTMENT

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[L. A. BILL No. XXIV OF 1952.]

(As read for the third time and passed by the Legislative Assembly on the 6th August 1952.)

(As read for the third time and passed by the Legislative Council on the 20th August 1952.)

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A Bill to amend the Bombay Co-operative Societies Act, 1952.

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[Shri M. P. Patil, M.L.A.]

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Separate paging is given to this Part in order that it may be filed as a separate compilation.

## PART IV

**Acts of the Bombay Legislature and Ordinances promulgated and Regulations made by the Governor.**

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The following Act of the Bombay Legislature having been assented to by the Governor on the 17th September 1952 is hereby published for general information.

S. L. CHAUDHARI,
Deputy Secretary to the Government of Bombay,
Legal Department.

### BOMBAY ACT No. XXII OF 1952.

*(First published, after having received the assent of the Governor, in the "Bombay Government Gazette" on the 22nd September 1952.)*

An Act to amend the Bombay Co-operative Societies Act, 1925.

Bom. VII of 1925.

WHEREAS it is expedient to amend the Bombay Co-operative Societies Act, 1925, for the purposes hereinafter appearing; It is hereby enacted as follows:—

Short title.

1. This Act may be called the Bombay Co-operative Societies (Amendment) Act, 1952.

Amendment of section 3 of Bom. VII of 1925.

Bom. VII of 1925.

2. In section 3 of the Bombay Co-operative Societies Act, 1925, hereinafter referred to as the said Act,—

(1) in clause (c), for the words "in accordance with" the words "in accordance with this Act or" shall be substituted;

(2) in clause (h),—

(i) for sub-clause (5) the following shall be substituted, namely:—

"(5) a 'General Society' means a society not falling under any of the classes of societies defined in any other clauses of this section.",

(ii) in the last paragraph, for the words "annually in the *Official Gazette*" the words "triennially in such manner as the State Government may from time to time direct" shall be substituted.

Insertion of new section 6A in Bom. VII of 1925.

**3.** After section 6 of the said Act, the following new section shall be inserted, namely :—

Person who cannot be member.

"6A. No person shall be admitted as a member of a society, unless he is a person competent to contract under section 11 of the Indian Contract Act, 1872." IX of 1872.

Amendment of section 7 of Bom. VII of 1925.

**4.** In section 7 of the said Act,—

(*1*) in sub-section (*1*), for the words "above the age of eighteen years" the words, figure and letter "who are qualified to be the members under section 6A" shall be substituted ;

(*2*) after sub-section (*2*), the following shall be added, namely :—

"(*3*) Nothing in the Bombay Co-operative Societies (Amendment) Act, 1952, shall be deemed to affect the registration of any society made before the said Act comes into force." Bom. XXII of 1952.

Amendment of section 12 of Bom. VII of 1925.

**5.** (*1*) Section 12 of the said Act shall be renumbered as sub-section (*1*) of that section and to the said sub-section, the following proviso shall be added, namely :—

"Provided that the Registrar may, by general or special order, extend the period for holding such meeting by a period not exceeding three months."

(*2*) After sub-section (*1*) as so renumbered, the following sub-sections shall be inserted, namely :—

"(*2*) If default is made in calling a general meeting within the period or the extended period, as the case may be, as prescribed under sub-section (*1*), the Registrar may by order declare any officer or member of the Committee whose duty it was to call such meeting and who without reasonable excuse failed to call such meeting, disqualified for being elected as and for being an officer or a member of the Committee for such period not exceeding three years as may be specified in such order and if the officer is a servant of the society fine him to an amount not exceeding one hundred rupees.

(*3*) Any fine imposed under sub-section (*2*) may be recovered in the manner provided by the Code of Criminal Procedure, 1898, for the recovery of fines imposed by a Court as if such fine were imposed by a Court." V of 1898.

Insertion of new section 17A in Bom. VII of 1925.

**6.** After section 17 of the said Act, the following section shall be inserted, namely :—

Inheritance or acquisition of rights of member by minor or person of unsound mind.

"17A. (*1*) Nothing in section 6A shall prevent a minor or a person of unsound mind from inheriting or otherwise acquiring the rights of a member, but his liability in consequence of such acquisition shall be limited to his interest in the shares of the society and the unpaid dividends as also the loan stock bonds, if any, and the interest earned on them, which is unpaid.

(*2*) The person under any such disability as is referred to in sub-section (*1*) shall, on his disability ceasing, furnish the society a declaration of his willingness to become a member. On receipt of such declaration the society,

notwithstanding anything contained in section 27, may, and if it is a co-operative housing society, such society shall, admit him as a member if he is not otherwise disqualified. The person so admitted shall become entitled to all the rights and privileges of a member and become subject to liabilities like any other member of the society."

**7.** After section 22 of the said Act, the following section shall be inserted, namely :— Insertion of new section 22A in Bom VII of 1925.

"22A. If the result of the audit held under section 22 discloses any defects in the working of a society, the Registrar may bring such defects to the notice of the society and if the society is a member of a Federal Society also to the notice of the Federal Society. The Registrar may also make an order directing the society or its officers to take such action as may be specified in order to remedy the defects, within the time specified therein. Where the society concerned is a member of a Federal Society, such order shall be made after consulting the Federal Society." Registrar to bring defects disclosed in audit to notice of society.

**8.** In section 24AA of the said Act, for the *Explanation* the following shall be substituted, namely :— Amendment of section 24AA of Bom. VII of 1925.

"*Explanation* :—For the purposes of this section, 'society' shall mean—

(*a*) any resource society, the majority of the members of which are agriculturists and the primary object of which is to obtain credit for its members ; or

(*b*) any society or any society of the class of societies specified in this behalf by the State Government by a general or special order."

**9.** In sub-section (*1*) of section 27 of the said Act, after the brackets and figure "(*1*)" the words, figures and letter "Subject to the provisions of section 17A," shall be inserted. Amendment of section 27 of Bom. VII of 1925.

**10.** Section 54 of the said Act shall be renumbered as sub-section (*1*) of that section and after sub-section (*1*) as so renumbered, the following sub-section shall be inserted, namely :— Amendment of section 54 of Bom. VII of 1925.

"(*2*) Where any dispute is referred under sub-section (*1*) for decision by the Registrar's nominee or to arbitration of arbitrators, the Registrar may, at any time, for reasons to be recorded in writing, withdraw such dispute from his nominee or the arbitrators, as the case may be, and may decide the dispute himself or refer it again to any other nominee appointed by him for decision :

Provided that no such dispute shall be withdrawn except on any of the following grounds :—

(*i*) the Registrar's nominee or the arbitrators have failed to decide the dispute within two months or such further period as may be allowed by the Registrar ;

(*ii*) the proceedings before the Registrar's nominee or any of the arbitrators are vitiated in consequence of corruption or misconduct on the part of the Registrar's nominee or any of the arbitrators, as the case may be."

Amendment of section 59A of Bom. VII of 1925.

**11.** To section 59A of the said Act, the following sub-section shall be added, namely :—

"(3) Subject to the general or special orders of the State Government, the Collector may delegate to an officer, not below the rank of an Assistant or Deputy Collector, powers exercisable by him under this section."

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